

## **Commissioners Meeting Minutes**

June 6, 2005

The Randolph County Board of Commissioners met in regular session at 4:00 p.m. in the Commissioners Meeting Room, County Office Building, 725 McDowell Road, Asheboro, NC. Commissioners Holmes, Kemp, Frye, Davis, and Lanier were present. Rev. Tim Lowry, Balfour Baptist Church, Asheboro, gave the invocation and everyone recited the Pledge of Allegiance.

### **Additions to Agenda**

Chairman Holmes announced that the following items would be added to the agenda:

1. Consent Agenda: Under Item C. Appoint Kendria Eckard to the Aging Services Planning Committee.
2. Budget Amendments: Item G. Tax Department

### **Consent Agenda**

*On motion of Frye, seconded by Davis, the Board voted unanimously to approve the Consent Agenda, as follows:*

- *approve minutes of 4/26/05 special & closed session meetings, and 5/2/05 regular & closed sessions;*
- *unseal closed session minutes of 7/9/04, 7/12/04, 8/2/04, 11/1/04, 12/6/04 (Closed Session I & II), 1/3/05, 2/7/05 (Closed Session I B & II), 3/1/05, 4/26/05;*
- *appoint Kendria Eckard & Rev. Ralph Kraft and Reappoint Abbie Holder, Garlene Rich, Emma Washington, Sandra Allen, Charlie Casper, Allan Edwards, Janet Henley, Duffy Johnson, Phil Koonce, Betty Hunt, Addie Luther, John McGlohon, Joy Ratliffe, Candie Rudzinski, Dr. Ann Suggs, Carolyn Vickrey, Frank Willis, Adrienne Calhoun, and Brett Eckerman to the Aging Services Planning Committee;*
- *reappoint Harold Holmes to Consolidated Mental Health Board;*
- *reappoint Annie Shaw to Jury Commission;*
- *reappoint Phil Ridge to the Randolph County Planning & Zoning Board;*
- *reappoint Dr. Roscoe Andrew Sykes to the RCC Board of Trustees;*
- *reappoint Frank Fields, James Bowman, John Waugh to Climax Fire Protection District;*
- *reappoint Glenn Gilmore, William Collier, John Shepard to Julian Fire Protection District;*
- *appoint Paul Rudd to the Randolph County Nursing Home Committee.*

### **Aging Services - 2005-2006 Home and Community Care Block Grant (HCCBG) Allocations**

Candie Rudzinski, Aging Services Planning Coordinator, reported that the Aging Services Planning Committee (ASPC) has approved a recommendation for the HCCBG allocations for FY 2005-2006, totaling \$649,311.

*On motion of Davis, seconded by Kemp, the Board unanimously approved Randolph County Senior Adults Association as lead agency, approved the HCCBG Funding Plan as indicated on Form DOA-731 requesting a total of \$649,311, and agreed to accept supplemental funding should it become available and to allow the Aging Services Planning Committee to decide how to allocate these funds.*

### **Report of Recommendations from Legal Staff on Lease Options for Room In The Inn Program for County-owned Building**

Aimee Scotton, Associate County Attorney, reminded the Board that the Christian United Outreach Center (CUOC) has requested that the County lease a County-owned house located at 323 Cox Street in Asheboro to CUOC for \$1.00 per year so that it could be used for their Room In The Inn (RITI) program. (RITI is a program that CUOC operates with the Randolph County Housing Coalition to offer the homeless a safe, warm place to stay during the winter.) Unfortunately, it is not legally possible for the

County to lease this property to CUOC for \$1.00 per year. North Carolina case law provides that when a board of county commissioners leases property, they do so as fiduciaries of the public and are therefore charged with obtaining the best possible price. This stipulation did not apply to Sandhills, who previously leased it from the County for \$1.00 per year, because it is another governmental agency. There is, however, another way to allow CUOC to use this house for the RITI program. Under NCGS 153A-376, a County may exercise directly those powers granted by law to a county redevelopment commission or county housing authority. It further provides that the county may contract with any person, association or corporation in undertaking any specified community development activities. These powers are listed in NCGS 157-9 and include the authority to engage in "housing projects." NCGS 157-3(12)(b) defines a housing project as the provision of safe and sanitary dwelling accommodations for persons of low income or moderate income or low and moderate income. This is exactly what RITI does for the homeless during the cold winter months. Since this is a project that the County could administer directly, it is one that we can contract with someone else to administer. Liability can be taken care of contractually through insurance requirements and an indemnification clause. The RITI program is fully insured, and as part of our contract, we can require proof of such insurance. Under the contract, the County would provide the house and the basic insurance protection (fire, etc) on the house. CUOC would administer the RITI program and would be responsible for all other expenses (utilities, routine maintenance, etc). The County would require adequate insurance, as well as an indemnification clause protecting the County from any liability resulting from CUOC's actions on the property. We would also require certifications from CUOC protecting us from any possible First Amendment freedom of religion problems.

*On motion of Frye, seconded by Davis, the Board voted unanimously to direct the Associate County Attorney to draft a contract in cooperation with CUOC for the occupation of RITI at the County-owned building located at 323 Cox Street, Asheboro, so that it can be presented at a future meeting for consideration of approval.*

#### **Appointment of Proposed Southwestern Randolph Water District Advisory Board**

*On motion of Frye, seconded by Kemp, the Board voted unanimously to appoint David Briles, Al Morton, Barry Bunting, Bob McDuffie, Robert Scherer, David Townsend, III, and Arnold Lanier to the Proposed Southwestern Randolph Water District Advisory Board.*

#### **Appointment of Voting Delegates for NACo Conference**

*On motion of Frye, seconded by Davis, the Board voted unanimously to appoint Harold Holmes and Darrell Frye as voting and alternate voting delegates, respectively, for the NACo Conference in July.*

#### **Adoption of Investment Policy**

Will Massie, Deputy Finance Officer, said that an approved investment policy is one of the methods used by state and local governments to promote sound financial management. A successful investment program should be based on a comprehensive policy that reflects the government's investment philosophy and tolerance for risk. Mr. Massie recommended a policy based on one developed by the Government Finance Officers Association (GFOA). It addresses objectives of the policy, standards of care, authorized institutions, safekeeping and custody, suitable investments, and investment parameters. N.C. General Statute 159-30 specifically identifies the types of eligible investments we may make. However, Randolph County's investment program is historically more conservative than that allowed by state statute, and this policy reflects our awareness as stewards of public funds. The GFOA recommends that each governing board formally adopt their investment policy to clearly define the boundaries of the unit's investment program.

*On motion of Kemp, seconded by Davis, the Board voted unanimously to approve the County's investment policy, effective immediately, as follows:*

**LEGALITY**--The investment program shall be operated in conformance with federal, state, and other legal requirements, including North Carolina General Statute 159-30.

**SCOPE**--This policy applies to all transactions involving the financial assets and related activity of all the various funds accounted for in the County's Comprehensive Annual Financial Report, except authorized petty cash accounts and certain restricted funds. The County will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

**OBJECTIVES**--The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. **Safety**--Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

**Credit risk** is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:

- Limiting investments to the safest types of securities;
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which an entity will do business; and
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

**Interest rate risk** is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- By investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

2. **Liquidity**--The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of certificates of deposit, money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds. Alternatively, a portion of the portfolio may be placed in securities with active secondary or resale markets (dynamic liquidity).
3. **Yield**--The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of lesser importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
  - A security with declining credit could be sold early to minimize loss of principal;
  - Liquidity needs of the portfolio require that the security be sold.

## **STANDARDS OF CARE**

1. **Prudence**--*The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with established procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.*

*The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."*

2. **Ethics and Conflicts of Interest**--*Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.*
3. **Delegation of Authority**--*Authority to manage the investment program is granted to the Finance Officer by North Carolina General Statute 159-30(a). Responsibility for the operation of the investment program may be delegated by the Finance Officer to another County employee who shall carry out established procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Officer. The Finance Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.*

**AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKERS**--*A list will be maintained of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by creditworthiness (minimum capital requirement \$10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).*

*All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:*

- *Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines*
- *Proof of National Association of Securities Dealers (NASD) certification (not applicable to Certificate of Deposit counterparties)*
- *Proof of state registration*
- *Certification of having read and understood and agreeing to comply with the County's investment policy.*
- *Evidence of adequate insurance coverage.*

*An annual review of the financial condition and registration of qualified bidders will be conducted by the Finance Officer.*

## **SAFEKEEPING AND CUSTODY**

1. **Delivery vs. Payment**--*All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.*

2. **Safekeeping**--Securities purchased from any bank or dealer including appropriate collateral (as defined by State Law) shall be placed with an independent third party for custodial safekeeping. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).
3. **Internal Controls**--The Finance Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

#### **SUITABLE AND AUTHORIZED INVESTMENTS**

1. **Investment Types**--The Finance Officer shall have the right and power to purchase, sell and exchange securities approved as eligible securities for investment on behalf of this unit's governing board subject to the approval of the County Manager or, in his/her absence, the designee.

Only the following investments will be permitted by this policy although others are authorized by North Carolina General Statute 159-30(c):

- a. Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
- b. Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service.
- c. Obligations of the State of North Carolina.
- d. Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the Secretary of the Local Government Commission may impose.
- e. Deposits at interest or savings certificates of deposit with any bank, savings and loan association or trust company in North Carolina, provided such deposits or certificates of deposit are fully collateralized.
- f. Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest (A1, P1, F1) by any nationally recognized rating service which rates the particular obligation.
- g. Participating shares in a mutual fund for local government investment (such as the N.C. Capital Management Trust) which is certified by the N.C. Local Government Commission.
- h. Evidences of ownership of, or fractional undivided interests in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian.
- i. Repurchase agreements with respect to either direct obligations of the United States or obligations the principal of and the interest on which are guaranteed by the United States if entered into with a broker or dealer, as defined by the Securities Exchange Act of 1934, which is a dealer recognized as a primary dealer by a Federal Reserve Bank; or any commercial bank, trust company or national banking association, the deposits of which are insured by the Federal Deposit Insurance Corporation or any successor thereof, under conditions specified by G.S.159-(c)(12).

Funds of this unit may be deposited at interest or invested in the following manner:

- Investment of idle monies may be invested in categories (a) through (g) authorized above; however, it will be the policy of Randolph County to maintain pooled funds primarily in deposits at interest or

savings certificates of deposit (category e above) and mutual funds for local government investment (category g above).

- Investment of debt proceeds may be invested in any securities/investments authorized above (categories a through i) with the approval of the County Manager.

2. **Collateralization**--In accordance with North Carolina General Statute 159-31(b) and the GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on deposits at interest and savings certificates of deposit. The County shall use only banking institutions approved by the North Carolina Local Government Commission.
3. **Repurchase Agreements**--Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements.

### **INVESTMENT PARAMETERS**

1. **Diversification**--The investments will be diversified by security type and institution by:
  - continuously investing a majority of the portfolio in readily available funds such as certificates of deposit or money market accounts to ensure that appropriate liquidity is maintained in order to meet ongoing obligations,
  - investing in securities with varying maturities,
  - limiting investments in securities to avoid over concentration from a specific issuer or business sector (excluding U.S. Treasury securities), and
  - limiting investment in securities that have higher credit risks.
2. **Maximum Maturities**--The County's general intent is to make investments and hold until maturity. However, early liquidation may be necessary if cash flow demand warrants an earlier date of sale.

The County shall limit the maximum final stated maturities of investments to three years unless specific authority is given to exceed. To the extent possible, the County will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the County will not directly invest in securities maturing more than two (2) years from the date of purchase. The Finance Officer shall determine what the appropriate average weighted maturity of the portfolio shall be.

**REPORTING**--The Finance Officer will provide a quarterly report for management. The report shall include a general description of the portfolio in terms of investment securities, maturities, yields and other features.

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the County's investment risk constraints and cash flow needs. The benchmark for the performance of the portfolio will be the average Federal Funds rate.

**POLICY**--The County's investment policy shall be adopted by resolution of the Board of County Commissioners. The County Manager and the Finance Officer shall review the policy on an annual basis and any modifications made thereto must be approved by the Commissioners.

### **Adoption of Resolution Concerning Interlocal Agreement with Trinity Regarding Allocation of High Intensity Watershed Development Property**

Hal Johnson, County Planning Director, presented a resolution from the City of Trinity requesting an Interlocal Agreement with Randolph County regarding the allocation of high intensity watershed development acreage under the North Carolina Environmental Management Commission's 10/70 rule without regard to governmental jurisdictions. The Randolph County Board of Commissioners first approved such interlocal agreements in 1994, and the County has since entered into agreements with all cities having jurisdictions within watersheds. Randolph County's land use planning policy since 1987 has generally tended to direct intensive development to established urban areas where public services may be more readily available. Randolph County has also been an active partner in many economic development

projects occurring within various municipal watershed jurisdictions. If Randolph County could allocate a percentage of its high intensity acreage within municipal watershed jurisdiction it would have a strong impact on enhancing desirable economic development consistent with growth management plans of the County and its municipalities.

*On motion of Frye, seconded by Davis, the board voted unanimously to adopt the following resolution:*

**WHEREAS**, the North Carolina Environmental Management Commission adopted water supply watershed protection rules on February 13, 1992, classifying public water supply watersheds located in North Carolina; and

**WHEREAS**, a local government having jurisdiction within the WS-II or WS-III watershed may by joint resolution submitted to and approved by the North Carolina Environmental Management Commission enter into an interlocal agreement to allocate to another local government within the same watershed some of its High Intensity Development acreage located outside a Water Critical Area under the 5/10/70 Rule; and

**WHEREAS**, Randolph County's land use planning policy generally directs intensive development to established urban areas where public services may be more readily available, while attempting to reserve undeveloped areas closer to the reservoirs for low-density rural development; and

**WHEREAS**, Randolph County desires to protect the public health by preventing further degradation of water supply watersheds, while at the same time enhancing development plans of Randolph County and its municipalities;

**NOW, THEREFORE, BE IT RESOLVED** by the Randolph County Board of Commissioners that an interlocal agreement be entered into with each of the following municipalities for the purpose of establishing the procedures for allocation of High Intensity Watershed Development acreage, utilizing the North Carolina Environmental Management Commission's 5/10/70 Rule: City of Trinity.

**BE IT FURTHER RESOLVED** that the Chairman of the Randolph County Board of Commissioners be authorized to sign each of the interlocal agreements on behalf of the Board.

#### **Approval of Resolution Adopting Memorandum of Understanding Regarding High Point Urban Area Metropolitan Planning Organization**

Hal Johnson said that the Town of Wallburg has asked to join the High Point Urban Area Metropolitan Planning Organization and that a new Memorandum of Understanding between all involved governmental entities must be executed.

*On motion of Davis, seconded by Kemp, the Board voted unanimously to approve a resolution adopting a memorandum of understanding regarding the High Point Urban Area Metropolitan Planning Organization, as follows:*

**WHEREAS**, it is recognized that the proper movement of travel within and through the High Point urban area is a highly desirable element of a comprehensive plan for the orderly growth and development of the area; and

**WHEREAS**, there are a number of governmental jurisdictions within the High Point urban area which have been authorized implementation and regulatory responsibilities for transportation by North Carolina General Statutes; and

**WHEREAS**, it is desirable that a coordinated, comprehensive, and cooperative transportation planning process be maintained in the High Point urban area to insure that the transportation system is maintained on an efficient and economical basis commensurate with the public health, safety, and welfare; and

**WHEREAS**, a revised Memorandum of Understanding between the City of High Point, City of Thomasville, City of Archdale, City of Trinity, Town of Jamestown, Town of Wallburg, Guilford County, Davidson County, Randolph County, Forsyth County and North Carolina Department of Transportation has been prepared that sets forth the responsibilities and working arrangements for maintaining a continuing, comprehensive, and cooperative transportation planning process;

**NOW, THEREFORE, BE IT RESOLVED BY RANDOLPH COUNTY BOARD OF COMMISSIONERS**, that the Memorandum of Understanding between the City of High Point, City of Thomasville, City of Archdale, City

*of Trinity, Town of Jamestown, Town of Wallburg, Guilford County, Davidson County, Randolph County, Forsyth County and North Carolina Board of Transportation, be approved and that the Chairman and Clerk to the Board are hereby directed to execute the Memorandum of Understanding.*

### **Justice Assistance Grant Public Hearing**

At 4:30 p.m. the Board adjourned to a duly advertised public hearing to hear comments on the proposed use of Justice Assistance Grant funds in the amount of \$11,485. The proposed use is for the Sheriff's Office purchase of a canine, its training and for the purchase of related equipment.

No one spoke and the Board returned to regular session.

*On motion of Frye, seconded by Kemp, the Board voted unanimously to approve the application for a Justice Assistance Grant in the amount of \$11,485, and to allow the Sheriff's Dept. to use the funds, if approved, to purchase a canine, its training and associated equipment.*

### **Presentation Regarding Economic Development**

Bonnie Renfro, President of the Randolph County Economic Development Corporation, made a presentation regarding the way economic development is funded in Randolph County. Historically, Randolph County has used a prospect-driven, project-specific approach, whereby we search for a site or building when a prospect appears and then put a development and assistance plan together. Funding for economic development projects has been considered on a project-specific basis and has included infrastructure as well as economic incentives. All funding has been handled through the County's fund balance and the majority of projects have involved other partners such as local municipalities and the state. This approach was successful because local governments recovered their investment in only a few years due to the expanded tax base. Recent involvement in industrial product development has been accomplished in partnership with the Randolph County EDC. However, this reactive model is no longer competitive in the current economic development arena. Today's industrial clients have expedited timelines, are risk averse, and every project is a competitive choice.

Ms. Renfro recommended that Randolph County act now to improve its competitive advantage by adopting a more aggressive and proactive approach to economic development. Our focus will remain the same: to grow our existing industrial base and to recruit new companies in key target sectors. She recommended that the County invest now in infrastructure and product development, and incentives as needed. She proposed that the County commit a total of \$3,400,000 for economic development over the next four years. That total is equal to approximately one cent on the tax rate for each of the next four years. \$2,000,000 of the \$3,400,000 would be used to develop two industrial sites or parks in Randolph County. Ideal sites would be 100-200 acres in size, preferably expandable in the future. They would be well located near a primary interstate highway corridor, specifically Interstate 85 or US 220 (Future I-73/74), and served by infrastructure sized appropriately for industrial development.

Ms. Renfro said that \$1.4 million of the requested funding would be allocated for economic incentives. That amount is aligned with Randolph County's recent annual incentive commitments over the previous seven years. Incentives have proven to be an effective tool that Randolph County has used judiciously to attract investment and job creation. Since 1998, every \$1 invested by Randolph County in incentives has triggered \$91.47 in direct new industrial investment. Projects that received local incentives have resulted in an additional \$5,370,000 investment by the state in infrastructure and grants, bringing the direct new investment per \$1 in county incentives to \$94.00. Incentives have also resulted in more than 1,000 new jobs based solely on the initial job creation pledge.



She said that the EDC would continue as the County's representative in the new economic development program. State and federal grants would still be sought whenever possible. Municipal governments including the Cities of Archdale and Asheboro are considering support for this program. All municipal governments are encouraged to participate in this program at a level that is manageable and effective.

The EDC recommends that the County create a reserve fund for economic development funding. The County would retain control to consider, evaluate, and approve all expenditures from the fund for the purpose of economic development. Because projects do not begin and end within a single fiscal year, funding would accumulate in the reserve fund to be available for product development, infrastructure, and economic incentives.

Ms. Renfro said that if the Board approves this recommendation, the EDC will work with County and municipal departments to develop a detailed plan for the Board's review. It will address financial, legal, planning and zoning, and other criteria and will describe the process in detail. The plan will be presented within 90 days. Ms. Renfro stressed that economic development is very important to our county's future. If we want to see quality job growth, business location and expansion, and a growing dynamic economy, we must shift to a new model that is more proactive and aggressive. If we don't change our approach, we will forego new business recruitment. Should the County Commissioners decide to support this new approach, its success will be evaluated before the end of the four years to determine the future of this program.

#### **Budget Amendment—Seagrove Library Capital Project Ordinance**

Will Massie, Deputy Finance Officer, said that the original Seagrove Library Capital Project Ordinance was established in January 2005 using projections from the architect. Now, we have accurate amounts for the construction contract. In addition, contributions have been pledged for a large portion of the furniture. As a result, excess funds need to be moved to Construction to allow for change orders. The project remains fully funded at \$751,000.

*On motion of Frye, seconded by Davis, the Board voted unanimously to approve Seagrove Library Capital Project Ordinance Budget Amendment #1, as follows:*

<b><i>Seagrove Library Capital Project Ordinance Budget Amendment #1</i></b>		
<b><i>Appropriations</i></b>	<b><i>Increase</i></b>	<b><i>Decrease</i></b>
<i>Construction</i>	<i>\$40,100</i>	
<i>Professional Fees</i>		<i>\$10,000</i>
<i>New Furnishings</i>		<i>\$30,100</i>

#### **Budget Amendment—Social Services (Smart Start)**

Will Massie said that the Department of Social Services recently received a Child Day Care (Smart Start) funding authorization from the Division of Social Services in the amount of \$26,853, which is 100% reimbursable.

*On motion of Davis, seconded by Frye, the Board voted unanimously to approve Budget Amendment #48, as follows:*

<b><i>2004-2005 Budget Ordinance General Fund Amendment #48</i></b>
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<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Restricted Intergovernmental</i>	\$26,853	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Social Services</i>	\$26,853	

**Budget Amendment—Social Services (Non-Smart Start)**

Will Massie said that the Department of Social Services recently received a Child Day Care (Non-Smart Start) funding authorization from the Division of Social Services in the amount of \$87,458, which is 100% reimbursable. Non-Smart Start is formerly known as the Child Care Development Fund.

*On motion of Frye, seconded by Davis, the Board voted unanimously to approve Budget Amendment #48, as follows:*

<i>2004-2005 Budget Ordinance General Fund Amendment #49</i>		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Restricted Intergovernmental</i>	\$87,458	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Social Services</i>	\$87,458	

**Budget Amendment—Day Reporting Center**

Will Massie said that the Day Reporting Center has received additional funding from the Montgomery County Juvenile Crime Prevention Council for \$9,400. This money will be used to purchase capital outlay for the Juvenile Day program. The Day Reporting Center's Teen Court program had lapsed salary from the current year's allocation from the Department of Juvenile Justice and Delinquency Prevention. In order to use this money within Randolph County, a transfer of \$3,465 is being made between programs. These funds should be transferred to the Court Psychologist program.

*On motion of Kemp, seconded by Davis, the Board voted unanimously to approve Budget Amendment #50, as follows:*

<i>2004-2005 Budget Ordinance General Fund Amendment #50</i>		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Miscellaneous</i>	\$9,400	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Day Reporting Center</i>	\$5,935	
<i>Other Human Services</i>	\$3,465	

**Budget Amendment—Administration (Safety Program Award)**

Will Massie said that on August 21, 2004, the North Carolina Association of County Commissioners awarded Randolph County \$10,000 for the most innovative program in the Liability and Property Insurance category. Our innovative program was our new drug testing policy. Since August, the Randolph County Safety Committee has been trying to determine the best use of this money. Some of the items requested were additional first aid kits, new fire extinguishers, training videos and equipment, and new bulletin boards.

On motion of Davis, seconded by Frye, the Board voted unanimously to approve Budget Amendment #51, as follows:

<b>2004-2005 Budget Ordinance General Fund Amendment #51</b>		
<b>Revenues</b>	<b>Increase</b>	<b>Decrease</b>
<i>Miscellaneous</i>	<i>\$10,000</i>	
<b>Appropriations</b>	<b>Increase</b>	<b>Decrease</b>
<i>Administration</i>	<i>\$10,000</i>	

#### **Budget Amendment--Elections**

Will Massie said that the State has provided a \$6,930 grant for the Randolph County Board of Elections to verify their list of registered voters. To assure an accurate and current voter registration roll, verification cards were mailed to registered voters who have not participated in the last two federal elections.

On motion of Kemp, seconded by Davis, the Board voted unanimously to approve Budget Amendment #52, as follows:

<b>2004-2005 Budget Ordinance General Fund Amendment #52</b>		
<b>Revenues</b>	<b>Increase</b>	<b>Decrease</b>
<i>Restricted Intergovernmental</i>	<i>\$ 6,930</i>	
<b>Appropriations</b>	<b>Increase</b>	<b>Decrease</b>
<i>Elections</i>	<i>\$ 6,930</i>	

#### **Budget Amendment—Tax Department**

Will Massie said that the Tax Department has an account in its budget for property tax refunds to citizens who paid taxes for which they were not liable. We amended the budget for this account in October due to several large requests for refunds. However, additional refunds have been granted since then and the account balance has been expended. A budget adjustment to add \$ 28,577 is necessary to complete the year. In addition, the Tax Department requests \$11,500 to replace six outdated computers. These two requests can be funded through actual tax revenues that have been collected in excess of the amounts budgeted.

On motion of Frye, seconded by Davis, the Board voted unanimously to approve Budget Amendment #53, as follows:

<b>2004-2005 Budget Ordinance General Fund Amendment #53</b>		
<b>Revenues</b>	<b>Increase</b>	<b>Decrease</b>
<i>Ad Valorem Property Taxes</i>	<i>\$ 28,577</i>	
<i>Sales and Services</i>	<i>\$ 11,500</i>	
<b>Appropriations</b>	<b>Increase</b>	<b>Decrease</b>
<i>Tax</i>	<i>\$40,077</i>	

### **Presentation of FY05-06 Proposed Budget**

Frank Willis, County Manager, presented his proposed FY 2005-2006 budget message. This budget proposes a tax rate of 52.75¢ per \$100 valuation, which is 2.75¢ more than last year. The proposed tax rate is based on a total valuation of \$8,600,000,000, and the budget totals \$97,341,594. Compared to last year, there is an additional 1.75¢ to cover the County's share of Medicaid growth and another 1¢ dedicated for economic development.

### **Closed Session [N.C.G.S. §143-318.11(a)(3)]**

*At 5:48 p.m. on motion of Frye, seconded by Davis, the Board voted unanimously to go into closed session to consult with our attorney to consider and give instructions concerning a judicial action titled Maxton McDowell, Wanda McDowell, Claude Winslow, Barbara Winslow vs. Randolph county and McDowell Lumber Company, Inc. pursuant to NCGS 143-318(a)(3).*

At 6:05 p.m., the Board returned to regular session.

### **Rezoning Public Hearing**

At 6:30 p.m. the Board adjourned to a duly advertised public hearing to consider rezoning requests. Hal Johnson, Planning & Zoning Director, presented the following requests, and Chairman Holmes opened the public hearing for comments on each request and closed it before taking action on each request.

1. **DERRICK CAUDILL**, Asheboro, North Carolina, is requesting that 32.63 acres located on Pleasant Ridge Road (at the Grantville Lane intersection), Franklinville Township, be rezoned from RA to CLOE-CU. Municipal Growth Area. Tax ID# 7791857467. The proposed Conditional Use Zoning District would specifically allow the development of a 23-lot residential cluster subdivision (50% open space and minimum lot sizes of 20,000 sq. ft.) for conventional modular homes or site-built homes. The Planning Board considered this request at public meeting on May 3, 2005, and unanimously recommended that this request be denied as totally out of character with this community. Mr. Johnson stated that Mr. Caudell has requested that the Board delay this request until the July, 2005 meeting.

*On motion of Kemp, seconded by Frye, the Board voted unanimously to delay the request of Derrick Caudill until their July 2005 meeting.*

2. **BOB LUCK**, Asheboro, North Carolina, is requesting that 327.38 acres located on High Pine Church Road, Union Township, be rezoned from RA to RLOE-CU. Rural Growth Area. Tax ID#s 7637653352, 7637553505, 7637642735, 7637350771, 7637233665, 7637536860, and 7637549314. The proposed Conditional Use Zoning District would specifically allow the development of a 54-lot residential rural lot subdivision for site-built homes only with a minimum house size of 2,000 heated sq. ft. Clayton Terry Tucker, R. Mark & Phyllis A. Hunt, and Emma P. Williams Heirs & Others - Property Owners. The Planning Board considered this request at public meeting on May 3, 2005, and recommended, by a vote of 5 to 1, that this request be denied for the following reasons: ● an unresolved issue about the access of the site, ● site plan not accurate (number of lots being asked to consider is not the same as the site plan provided to the Board), ● no buffers being presented, ● incompatible to the nature of area, ● inconsistent with growth plan/ordinance.

**Tom Wright**, (Greensboro) attorney for the applicant, said that the development exceeded the County's current requirements for a development in a rural area. He said that the property owner, Terry Tucker, has made a substantial investment. The proposed development would be invisible from High Pines Church Rd. and there would be a single access into the property from this road. He said that this

area is in a “Rural Growth Area,” according to the County’s Growth Management Plan, and that the plan did not include any “Rural ‘No’-Growth Areas.” He says that the access problem should not keep the Board from making a decision on this issue. Mr. Wright spoke about concerns regarding the adjoining gun club. He said that Lot #4 (lot closest to the gun club) would not perk so there wouldn’t be a house there anyway. But, if there is still a concern, the developer would erect a fence along this property line. Mr. Wright also spoke about the National Forest Service request for a substantial buffer along this property line, saying that it seems silly to put more trees along an area that already had, and would always have, trees. He said High Pine Church Road could handle the proposed increase in traffic, according to the regional engineer for DOT. He also said that given the likely price for the property and the 2,000 sq. ft. minimum homes projected at a minimum of \$250,000, he doubted the typical buyer would impact school attendance. Water quality and quantity is always an issue, he said, but the proposed large lots would be big enough to allow for recharge. There are also no-cut buffers proposed along the streams to prevent runoff. Mr. Wright distributed pictures of the proposed site.

At this time, the applicant offered that Lot #4, since it won’t perk, be combined with other adjoining lots so that nothing could be built there.

**Mack Summey**, project engineer, said that he did the layout of the proposed subdivision, keeping in mind the applicant’s desire for as large lots as possible, even though they will be more expensive. He said that they had obtained a driveway permit from DOT.

**James Young**, 5242 High Pine Church Road, poultry farmer, spoke in favor of this development. He said that at first the owner considered clear-cutting the land. He said that the proposed subdivision would fit well with the area since the surrounding parcels of land (with homes situated on them) averaged 6.3 acres. He said that Mr. Tucker has exceeded all the ordinance requirements and that he has already spent more than \$30,000 for site preparation.

**Jon Megerian**, attorney representing some of the opponents of the request, said that this rezoning decision was legislative, not judicial. He said that the area was already appropriately zoned as residential/agricultural, which protects the national forest and the character of the area. Just because the proposed development exceeded the County’s minimum standards did not automatically guarantee it should be approved.

#### **Approximately 60 people stood in opposition to this request.**

Mr. Megerian argued that just because High Pine Church Rd. could handle (according to a traffic study) increased traffic, the Board was not obliged to approve an increase of roughly 600 more car trips on the road per day. He also said that Mr. Tucker purchased the property after the Planning Board heard the request and recommended that the request be denied. According to Mr. Megerian, Mr. Tucker mortgaged another piece of property he owns in order to buy this one because he couldn’t get title insurance on this piece of property. Mr. Megerian also argued that this development could greatly impact the already overcrowded area schools. He distributed photos of the proposed site.

**Bob Edwards**, 3618 High Pine Church Rd., said that when he bought his land, it came with a list of strict covenants (for High Pine Acres) that he had to abide by. He said that when he built his retirement home he didn’t need a large house because he and his wife would be the only ones living there; but they had to abide by the covenants. Mr. Edwards said the covenants are for residential purposes only and they never expected a paved public road for access to adjoining property. He asked what right Mr. Edwards has to violate the existing covenants. He also had water quantity concerns, stating that his own well is 540 ft. deep, yielding only 12 gallons per minute.

**Ray Hargett**, Randolph Rifle Club, said that the club is a private, non-profit shooting club that has operated here for over 30 years without incident. He said he's afraid that 50 new homes in the area would generate complaints about noise and would increase the potential of people wandering onto their land, which could become a safety issue.

**Rebecca Crawford**, 2209 Fiddler's Creek Rd., spoke in opposition to this request, saying that new development would be detrimental to the scenic byway and the Birkhead Wilderness area.

**Dr. Bob Scott**, 2097 Fiddler's Creek Rd., said that he moved into his newly built home in November 2004 to get out of the city. Dr. Scott said the one consistent thing in the area is the large tracts of land; he owns 14+ acres, which is one of the small tracts in the area. The current low traffic count on High Pine Church Rd. is not necessarily a bad thing. He is also concerned with the quadruple growth rate in the area recently; approximately 20 homes have been built in this area in the last 10 years. He distributed photos of busy school traffic where High Pine Church Rd. intersects with Hopewell Friends Rd. and nearby Mack Rd. He mentioned that Dr. David Jones was out of the country and could not attend this meeting. He said Dr. Jones has stated that people are going to want to come to this area to recreate, thereby boosting our tourism business. But if the area is developed the wilderness areas will disappear. Also, this proposed subdivision will negatively impact the Uwharrie National Forest. He asked the Board if they had been contacted by Ranger Johnson of the National Forest Service (NFS) about the need for a buffer and fence between the development and the NFS lands. Dr. Scott also distributed a spreadsheet with calculations on the average tract size of surrounding properties. He said the average is actually 12.6 acres. Dr. Scott cited passages from the Growth Management Plan that he said conflict with the proposed development. He said that Mr. Tucker made this investment with his eyes wide open and that the Board should not consider Mr. Tucker's investment in their deliberations.

**Kevin Redding**, Associate Director for the Land Trust for Central North Carolina, 201 S. Fayetteville St, Asheboro, said that recently they have worked with securing funding for the natural trail in the Birkheads. He said that he was not speaking against the development but that he wanted the Board to be aware that they are working to protect the area and that the Federal and State governments have put a lot of money into this land to insure its protection.

*Arnold Lanier made a motion to deny the request of Bob Luck. The motion died for lack of a second.*

*Phil Kemp made a motion to approve the request of Bob Luck. The motion died for lack of a second.*

*On motion of Frye, seconded by Davis, the Board voted 4-1, with Kemp opposing, to impose a 90-day moratorium on development in any rural growth area adjoining the Uwharrie National Forest and directed the Planning staff to study and address the points of concern that had come up during this public hearing and to hold an advertised public meeting and then bring the request back to this Board for reconsideration.*

3. **RANDOLPH GYMNASTICS ACADEMY**, Staley, North Carolina, is requesting that 4.90 acres located on US Hwy 64 East (across from Meadow Road), Franklinville Township, be rezoned from Residential Agricultural to Highway Commercial/Conditional Use. Primary Growth Area. Tax ID# 7781690833. The proposed Conditional Use Zoning District would specifically allow a gym/recreational center as per site plan. The Planning Board considered this request at public meeting on May 3, 2005, and recommended unanimously that this request be approved.

No one spoke.

*On motion of Frye, seconded by Lanier, the Board voted unanimously to approve the request of Randolph Gymnastics Academy.*

**4. DENNIS & SHARP DEVELOPMENT**, Greensboro, North Carolina, is requesting that 6.21 acres located on Poole Town Road (across from Henry Parrish Road), Cedar Grove Township, be rezoned to allow an exclusive residential subdivision overlay. Secondary Growth Area. Tax ID# 7741126366. The Conditional Use Zoning District would specifically allow an additional lot in Poole Town Subdivision. The Planning Board considered this request at public meeting on May 3, 2005, and unanimously recommended that this request be approved.

**Debbie Craven Dennis**, 514 Abby Lane, Asheboro, spoke in favor of her request.

*On motion of Davis, seconded by Lanier, the Board voted unanimously to approve the request of Dennis & Sharp Development.*

**5. SAMUEL DAVIS**, Asheboro, North Carolina, is requesting that 2.50 acres located at 2535 US Hwy 64 West, Cedar Grove Township, be rezoned from Residential Agricultural to Highway Commercial/Conditional Use. Primary Growth Area. Tax ID# 7741107859. The proposed Conditional Use Zoning District would specifically allow a mini-warehouse facility of 6 buildings as per site plan. The Planning Board considered this request at public meeting on May 3, 2005, and unanimously recommended that this request be approved.

**Samuel Davis**, applicant, spoke in support of his request and asked if he could erect a billboard on the road since the area next to the road is in a hollow. The Board told him that billboards were not allowed.

*On motion of Frye, seconded by Lanier, the Board voted unanimously to approve the request of Samuel Davis.*

**6. DONALD CHURCH**, Asheboro, North Carolina, is requesting that 1.00 acres located on U.S. Hwy 64 West (just past Garren Town Road), Tabernacle Township, be rezoned from Residential Agricultural to Highway Commercial/Conditional Use. Lake Reese Watershed. Secondary Growth Area. Parcel ID# 7712532088. The proposed Conditional Use Zoning District would specifically allow a used car sales lot as per site plan. The Planning Board considered this request at public meeting on May 3, 2005, and unanimously recommended that this request be approved.

No one spoke.

*On motion of Lanier, seconded by Davis, the Board voted unanimously to approve the request of Donald Church.*

**7. SHERRI WILLARD**, Randleman, North Carolina, is requesting that 17.59 acres located on Red Lane Road, Providence Township, be rezoned from RA to RLOM-CU. Polecat Creek Watershed. Secondary Growth Area. Tax ID# 7777491204. The proposed Conditional Use Permit would specifically allow the development of a 4-lot residential subdivision for mobile homes, modular homes, or site-built homes. Viola Frazier Cox - Property Owner. The Planning Board considered this request at public meeting on May 3, 2005, and unanimously recommended that this request be approved with the condition that only lot 2A be allowed to have a single-wide mobile home.

**Viola Cox**, 150 Small Road, Randleman, said she wants to divide the property to give a portion to each of her four daughters and to get the property out of her name—she's tired of paying taxes.

**Mark Lawson**, 1138 Red lane Rd., said that he purchased 10 acres nearby 10 years ago. At that time all they could have was 1 home per 5 acres. He said he would not oppose this request if there were no single-wides allowed and that all homes would be required to have permanent foundations.

*On motion of Davis, seconded by Kemp, the Board voted unanimously to approve the request of Sherri Willard, with the following condition: Only Lot 2A be allowed to have a single-wide mobile home as long as the current owner lives there—any subsequent owners could not have a single-wide on this lot.*

8. **DEEP BLUE INVESTMENTS, LLC**, Asheboro, North Carolina, is requesting that 32.28 acres on Chaney Road, Franklinville Township, be rezoned from RA to CVOE-CU. Secondary Growth Area. Tax ID#s 7781837781, 7781839106, and 7781931114. The proposed Conditional Use Zoning District would specifically allow the development of a 29-lot residential subdivision for site-built homes only with a minimum house size of 1,400 sq. ft. Jerry & Clayton Sykes - Property Owners. The Planning Board considered this request at public meeting on May 3, 2005, and unanimously recommended that this request be approved.

**Lee Roberts**, 801 Kildaire Rd., Asheboro, distributed a soil report on the proposed property. He said he had never seen better soil before. He said all the homes would be stick-built and that there would be a no-cut buffer along Lots 9, 10 & 11. He said that the homes would be 1,400 sq. ft. under roof with 1,250 sq. ft. heated.

**Bernadine Wardlow**, 774 Foxfire Rd., said that she moved to this area to get out of the city. Nearby Foxfire Acres subdivision was just recently approved for 65 new houses. There is also a nearby community swimming pool (Ten-Aqua) that is filled every year, thereby putting a strain on the water table. She suggested waiting until the Foxfire Acres subdivision is built up before approving another subdivision in the area to determine whether there will be enough water for everyone. She asked the developer what kind of wells he plans to use. He said that they would be drilled bedrock wells. She said she contacted Melinda Chapel, who was a groundwater specialist with a governmental agency. She said that Ms. Chapel warned her of possible groundwater contamination, septic problems and water supply depletion. Ms. Wardlow also spoke about the already overcrowded area schools. She said that growth is good as long as it's done at a pace to make sure that we have enough natural resources. She asked the Board what would happen if her well runs dry. She was told that she would probably have to drill another one.

*On motion of Kemp, seconded by Frye, the Board voted unanimously to approve the request of Deep Blue Investment.*

### **Adjournment**

There being no further business, the meeting adjourned at 10:00 p.m.

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J. Harold Holmes, Chairman

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Darrell L. Frye

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Phil Kemp

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Robert B. Davis



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Arnold Lanier

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Cheryl A. Ivey, Deputy Clerk to the Board